

## Exhibit A

W 40740  
PRC 91.1  
PRC 163.1  
PRC 425.1  
PRC 426.1  
E-392

### SLIDING SCALE ROYALTY SCHEDULE

<u>*Oil Price Greater Than or Equal To</u>	<u>But Less Than</u>	<u>Royalty Rate, %</u>
\$00.00	\$13.00	4.00
13.00	14.00	$[0.12667 * (\text{Oil Price}) - 1.606] * 100$
14.00	17.50	16.667
17.50	25.00	$[0.01111 * (\text{Oil Price}) - 0.02777] * 100$
25.00	And greater	25.00

\*Adjusted quarterly for real economic growth, i.e., the difference between oil price escalation and inflation (Base oil price of \$14.60/bbl., Huntington Beach Field, 19° API and GNP Inflation published by the Bureau of Economic Analysis of the U.S. Department of Commerce).